

- **November Not Nearly as Painful as September and October**

- **Exelon Continues Its NRG Pursuit**

- **Buffett Closer to Closing on Constellation**



December 2, 2008. While one month does not constitute a trend, 45 of our index companies were in positive territory for November 2008 after two months of brutal losses. Chart 1 indicates the number of monthly winners and losers since July 2008. While the S&P 500 continued its free fall during November, for the most part our index companies significantly slowed their rate of descent. Chart 2 on the next pages indicates the flattening out of the declines.

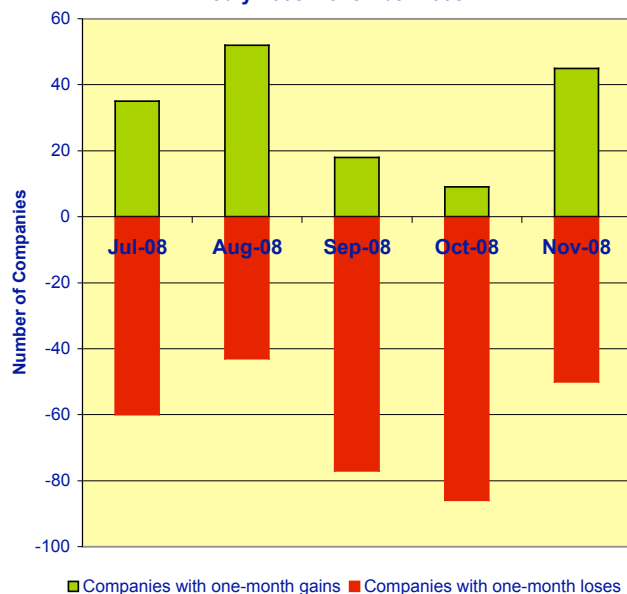
**November 2008 Winners and Losers: Table 1**  
**Percentage Change Market Open 11/1/08 to Market Close 11/30/08**  
**C Three Composite Index -1.64%**

Top 10		Bottom 10	
AYE (Allegheny)	16.92%	OKS (ONEOK Partners)	-15.3%
SJI (South Jersey Industries)	14.47%	TCLP (TC Pipelines)	-15.6%
NVE (NV Energy)	14.35%	SE (Spectra Energy)	-15.9%
IDA (Idacorp)	14.03%	OTTR (Otter Trail Power)	-20.0%
TE (Teco Energy)	12.65%	SUG (Southern Union)	-20.2%
FE (First Energy)	12.31%	FPU (Florida Public Utilities)	-21.1%
CNP (Centerpoint Energy)	12.24%	WMB (Williams)	-22.7%
WGL (WGL Holdings)	12.15%	CPN (Calpine)	-23.4%
VVC (Vectren)	11.75%	EP (El Paso Energy)	-23.8%
MDU (MDU Resources)	11.64%	DYN (Dynergy)	-38.7%

### Decreasing Oil Prices Continue To Drag Natural Gas Prices With Them

The C Three Composite Index did not make it into positive territory in November, although it managed to stay under a 2% loss for the month. Falling oil prices continue to drag natural gas prices down. Those companies with natural gas price exposure generally were hit hard again in November. Fundamentals will have to come into play at some point. Rig counts are dropping; production is decreasing. Even with a declining economy, a cold winter could raise demand. With prices down over 50% since July, the bottom should be near.

**Chart 1: Number of Monthly Winners and Losers July 2008-November 2008**

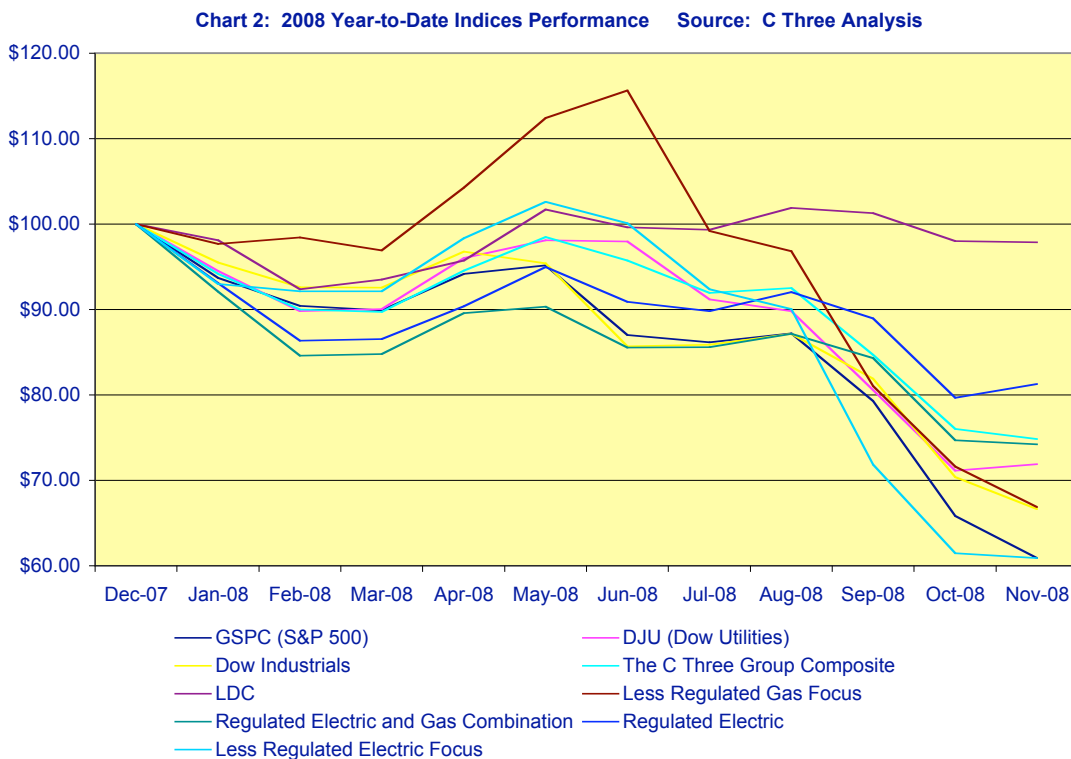


### Merchant Generation Continues Its Domination Of The Bottom Of The Barrel

The beleaguered merchant generation group continues to have a firm grip on the bottom performance for the month and for the year. Reliant is down almost 80% year-to-date. AES is down almost 65%. The year-to-date losers are dominated by merchant generation players. See Table 2 on the next page. C Three's Less Regulated Electric Index is down almost 40% since January 1, 2008.

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## Year-To-Date Overview

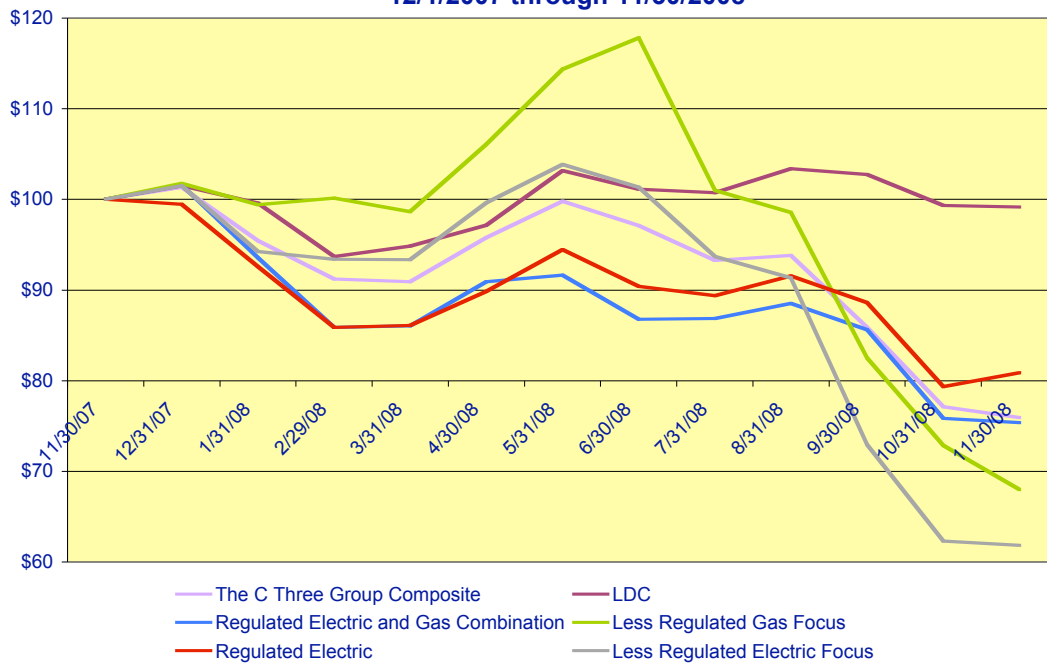


Natural gas distribution companies without much price exposure continue to “lead” the indices since July. Our Regulated Electric Index actually showed a positive gain for November. The Less Regulated Electric group managed to flatten out its losses.

<b>Table 2: 2008 Year-to-Date Winners and Losers:</b>			
<b>Value of \$100 Invested on 1/1/2008 through Market Close 11/30/08</b>			
<b>C Three Composite Index \$74.97</b>			
<b>Top 10</b>		<b>Bottom 10</b>	
LG (Laclede)	\$153.86	PNM (PNM)	\$48.72
PNY (Piedmont Natural Gas)	\$128.44	EGN (Energen)	\$47.95
NJR (New Jersey Resources)	\$121.11	SUG (Southern Union)	\$46.80
HE (Hawaiian Elec Ind Inc)	\$119.76	WMB (Williams)	\$45.33
WGL (WGL Holdings)	\$110.20	MIR (Mirant)	\$44.18
SJI (South Jersey Industries)	\$108.06	EP (El Paso Energy)	\$42.87
NWN (Northwest Natural Gas)	\$102.65	AES (AES Corp)	\$35.95
MGEE (MGE Energy)	\$99.80	DYN (Dynergy)	\$31.23
CPK (Chesapeake Utilities)	\$99.37	CEG (Constellation Energy)	\$23.87
CHG (CH Energy Group)	\$98.20	RRI (Reliant Resources)	\$21.88

## The 12 Month Performance Chart Does Not Look Any Better Than The Year-To-Date Chart On The Previous Page

**Chart 3: 12 Month Value of \$100 Invested on 12/1/2007 through 11/30/2008**

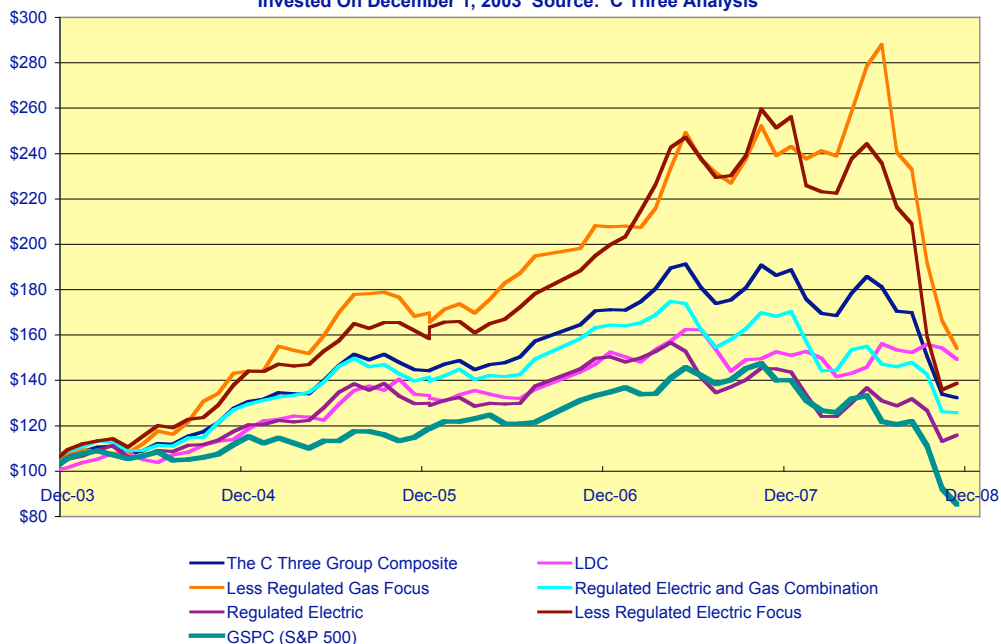


## Five-Year Snap Shot

While the S&P 500 has given up all of its five-year gains, even the Less Regulated Electric Index has outperformed the S&P. These days, you take solace where you can. All of The C Three Group's equity indices have been able to stay in positive territory for the past five years and have outperformed the S&P 500.

Wishing you and yours a wonderful Holiday Season. Jean Reaves Rollins

**Chart 4: November 30, 2008 Five Year Value \$100 Invested On December 1, 2003 Source: C Three Analysis**



**TABLE 3: November 28, 2008 (month end close) Value of \$100 Invested on December 1, 2007**

Company	12 Months Value Through 11/28/2008	Rank	Company	12 Months Value Through 11/28/2008	Rank
LG (Laclede)	\$155.44	1	MDU (MDU Resources)	\$75.27	53
PNY (Piedmont Natural Gas)	\$129.63	2	OGE (OGE Energy)	\$75.04	54
NJR (New Jersey Resources)	\$124.07	3	NWE (Northwestern Corp)	\$74.40	55
HE (Hawaiian Elec Ind Inc)	\$118.88	4	NU (Northeast Utilities Service Co)	\$74.04	56
WGL (WGL Holdings)	\$110.33	5	CNP (Centerpoint Energy)	\$73.01	57
SJI (South Jersey Industries)	\$106.53	6	<b>Dow Utilities</b>	<b>\$71.88</b>	<b>58</b>
NWN (Northwest Natural Gas)	\$105.03	7	ETR (Entergy)	\$71.21	59
MGEE (MGE Energy)	\$102.58	8	PNW (Pinnacle West)	\$70.90	60
NST (Nstar)	\$101.69	9	EL Paso Electric EE	\$70.78	61
CHG (CH Energy Group)	\$101.58	10	FPL (FPL Group)	\$70.11	62
<b>LDC</b>	<b>\$99.17</b>	<b>11</b>	EXC (Exelon)	\$69.79	63
SO (Southern Company)	\$97.22	12	CV (Central Vermont)	\$69.65	64
GAS (Nicor)	\$97.10	13	DPL (DPL Inc)	\$69.33	65
KMP (Kinder Morgan Energy Partners)	\$96.94	14	NFG (National Fuel Gas Co)	\$68.70	66
VVC (Vectren)	\$96.31	15	POR (Portland General)	\$68.58	67
ATO (Atmos)	\$95.52	16	<b>Less Regulated Gas Focus</b>	<b>\$68.00</b>	<b>68</b>
CPK (Chesapeake Utilities)	\$95.07	17	AEE (Ameren)	\$67.18	69
DGAS (Delta Nat Gas)	\$93.89	18	PPL (PPL)	\$66.58	70
WEC (Wisconsin Energy Corp)	\$91.57	19	SE (Spectra Energy)	\$66.31	71
UNS (Unisource Energy)	\$91.14	20	<b>Dow Jones Industrial</b>	<b>\$66.03</b>	<b>72</b>
SWX (Southwest Gas)	\$90.50	21	AEP (American Electric Power)	\$65.98	73
UGI (UGI)	\$88.86	22	NI (NiSource)	\$65.56	74
PSD (Puget Energy)	\$87.33	23	PEG (Public Services Enterprise Group)	\$65.03	75
IDA (Idacorp)	\$87.13	24	POM (PEPCO)	\$64.25	76
FE (First Energy)	\$86.02	25	OKE (Oneok Inc)	\$64.09	77
RGCO (RGC Resources)	\$85.48	26	EQT (Equitable Resources)	\$63.90	78
Integrus Energy Group (TEG)	\$85.45	27	GXP (Great Plains Energy)	\$63.76	79
UIL (UIL Holdings)	\$85.11	28	NGG (National Grid)	\$61.91	80
CNL (CLECO)	\$84.75	29	<b>Less Regulated Electric Focus</b>	<b>\$61.82</b>	<b>81</b>
ALE (Allele)	\$84.20	30	BKH (Black Hills)	\$61.60	82
ED (Consolidated Edison)	\$83.71	31	TCLP (TC Pipelines)	\$61.41	83
AVA (Avista)	\$82.86	32	<b>S&amp;P 500</b>	<b>\$60.91</b>	<b>84</b>
PCG (PG&E)	\$82.52	33	STR (Questar)	\$60.71	85
ITC Holdings	\$82.29	34	EIX (Edison Intl)	\$59.92	86
XEL (Xcel Energy)	\$82.00	35	AYE (Allegheny)	\$58.38	87
PGN (Progress Energy)	\$81.89	36	CMS (CMS Energy)	\$58.32	88
ATG (AGL Resources)	\$81.82	37	TAC (Transalta)	\$57.83	89
SCG (Scana Corp)	\$81.63	38	OTTR (Otter Trail Power)	\$56.77	90
FPU (Florida Public Utilities)	\$81.34	39	NRG	\$56.55	91
<b>Regulated Electric Gas Combination</b>	<b>\$80.88</b>	<b>40</b>	NVE (NV Energy)	\$54.99	92
WR (Westar)	\$78.78	41	CPN (Calpine)	\$53.02	93
DUK (Duke)	\$78.74	42	EGN (Energen)	\$48.65	94
OKS (ONEOK Partners)	\$78.70	43	WMB (Williams)	\$47.57	95
D (Dominion Resources)	\$78.51	44	PNM (PNM)	\$47.46	96
LNT (Alliant)	\$77.28	45	EP (El Paso Energy)	\$46.57	97
EDE (Empire District)	\$77.10	46	SUG (Southern Union)	\$46.50	98
EWST (Energy West)	\$76.46	47	MIR (Mirant)	\$45.03	99
DTE (DTE Energy)	\$76.16	48	AES (AES Corp)	\$35.44	100
<b>The C Three Group Composite</b>	<b>\$75.92</b>	<b>49</b>	DYN (Dynergy)	\$29.19	101
TE (Teco Energy)	\$75.71	50	CEG (Constellation Energy)	\$24.64	102
SRE (Sempra Energy)	\$75.51	51	RRI (Reliant Resources)	\$22.25	103
<b>Regulated Electric</b>	<b>\$75.38</b>	<b>52</b>			

**TABLE 4: November 28, 2008 (month end close) Value of \$100 Invested on December 1, 2003**

Company	5 Year Value Through 11/28/2008	5 Year Rank	Company	5 Year Value Through 11/28/2008	5 Year Rank
AYE (Allegheny)	\$333.18	1	OGE (OGE Energy)	\$126.99	53
SJI (South Jersey Industries)	\$218.73	2	KMP (Kinder Morgan Energy Partners)	\$126.11	54
NRG	\$216.35	3	XEL (Xcel Energy)	\$125.74	55
LG (Laclede)	\$201.30	4	<b>Regulated Electric</b>	<b>\$125.66</b>	<b>56</b>
EWST (Energy West)	\$199.44	5	CMS (CMS Energy)	\$125.12	57
STR (Questar)	\$198.83	6	DPL (DPL Inc)	\$124.15	58
EXC (Exelon)	\$189.64	7	SWX (Southwest Gas)	\$122.75	59
NWN (Northwest Natural Gas)	\$184.66	8	IDA (Idacorp)	\$121.60	60
FE (First Energy)	\$184.04	9	AEP (American Electric Power)	\$120.86	61
NJR (New Jersey Resources)	\$183.13	10	MGEE (MGE Energy)	\$120.45	62
PNY (Piedmont Natural Gas)	\$181.13	11	PSD (Puget Energy)	\$116.29	63
PPL (PPL)	\$180.46	12	<b>Regulated Electric Gas Combination</b>	<b>\$116.24</b>	<b>64</b>
EIX (Edison Intl Group)	\$178.90	13	RRI (Reliant Resources)	\$115.96	65
SRE (Sempra Energy)	\$176.78	15	ATG (AGL Resources)	\$114.36	66
EGN (Energen)	\$172.26	16	POM (PEPCO)	\$111.32	67
EQT (Equitable Resources)	\$171.39	17	ED (Consolidated Edison)	\$110.84	68
ALE (Allele)	\$171.21	18	ATO (Atmos)	\$110.60	69
ETR (Entergy)	\$168.05	19	NGG (National Grid)	\$110.08	70
DUK (Duke)	\$167.67	20	TE (Teco Energy)	\$109.89	71
WGL (WGL Holdings)	\$167.52	21	AVA (Avista)	\$109.55	72
NST (Nstar)	\$164.12	22	DGAS (Delta Nat Gas)	\$109.00	73
FPL (FPL Group)	\$163.35	23	SCG (Scana Corp)	\$108.63	74
ITC Holdings	\$162.48	24	DTE (DTE Energy)	\$108.52	75
WMB (Williams)	\$161.55	25	CHG (CH Energy Group)	\$108.27	76
UGI (UGI)	\$160.77	26	Integrus Energy Group (TEG)	\$107.89	77
NVE (NV Energy)	\$158.79	27	WR (Westar)	\$107.32	78
PCG (PG&E)	\$158.24	28	EP (El Paso Energy)	\$104.08	79
OKE (Oneok Inc)	\$157.40	29	PGN (Progress Energy)	\$100.99	80
NFG (National Fuel Gas Co)	\$156.62	30	FPU (Florida Public Utilities)	\$98.53	81
UIL (UIL Holdings)	\$155.16	31	MDU (MDU Resources)	\$94.25	82
<b>Less Regulated Gas Focus</b>	<b>\$154.05</b>	<b>32</b>	EDE (Empire District)	\$91.59	83
CNL (CLECO)	\$152.75	33	<b>Dow Industrials</b>	<b>\$90.25</b>	<b>84</b>
UNS (Unisource Energy)	\$152.14	34	PNW (Pinnacle West)	\$89.91	85
<b>DJU (Dow Utilities)</b>	<b>\$151.26</b>	<b>35</b>	CV (Central Vermont)	\$88.64	86
<b>LDC</b>	<b>\$148.93</b>	<b>36</b>	AES (AES Corp)	\$87.89	87
OKS (ONEOK Partners)	\$144.77	37	AEE (Ameren)	\$87.44	88
RGCO (RGC Resources)	\$142.79	38	BKH (Black Hills)	\$86.87	89
EL Paso Electric EE	\$141.89	39	<b>GSPC (S&amp;P 500)</b>	<b>\$85.30</b>	<b>90</b>
LNT (Alliant)	\$141.77	40	SUG (Southern Union)	\$81.93	91
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<b>Less Regulated Electric Focus</b>	<b>\$137.48</b>	<b>45</b>	GXP (Great Plains Energy)	\$64.73	96
SO (Southern Company)	\$135.57	46	NI (NiSource)	\$62.60	97
D (Dominion Resources)	\$132.97	47	POR (Portland General)	\$62.07	98
<b>The C Three Group Composite</b>	<b>\$132.10</b>	<b>48</b>	MIR (Mirant)	\$61.41	99
HE (Hawaiian Elec Ind Inc)	\$131.11	49	PNM (PNM)	\$58.35	100
VVC (Vectren)	\$130.67	50	SE (Spectra Energy)	\$56.81	101
GAS (Nicor)	\$130.20	51	DYN (Dynergy)	\$55.61	102
NU (Northeast Utilities Service Co)	\$129.95	52	CPN (Calpine)	\$53.02	103

## Methodology and Components of Each Index Tracked by The C Three Group

- **Less Regulated Electric Focus** = More than 50% of revenues come from non-state regulated sources and/or more than 33% of assets are non-state regulated.
- **Less Regulated Gas Focus** = More than 50% of revenues come from non-state regulated natural gas distribution and/or more than 33% of assets are non-state regulated.
- **Regulated Electric** = No more than 20% of revenues can come from natural gas distribution and no more than 49% of revenues and 33% of assets can be associated with non-regulated activities.
- **LDC** = No more than 20% of revenues can come from electric distribution or generation and no more than 50% of revenues and 33% of assets can be associated with non-regulated activities.
- **Regulated Electric and Gas Combination** = More than 20% of revenues derived from natural gas distribution, no more than 50% of revenues and 33% of assets from non-regulated activities.
- **The C Three Index** = the non-weighted average of each of the companies included in the groupings above.

The C Three Indices are developed based on a straightforward premise: if you invested \$100 in each of the stocks of the companies that we track, what would the value of those shares be worth after a certain time-frame? Historical share prices are adjusted for dividends, splits and spin-offs. **Please note that Sierra Pacific Resources is now NV Energy, ticker symbol NVE and EnergySouth dropped off last month after being acquired by Sempra Energy.**

LDC	Regulated Electric	Regulated Electric and Gas Combo	Dow Jones Industrials
AGL Resources Atmos Energy Chesapeake Utilities Delta Natural Gas Energy West Laclede Group Nicor Nisource  Northwest Natural Gas Piedmont Natural Gas RGC Resources South Jersey Industries Southwest Gas WGL Holdings	Allele Ameren American Electric Power Black Hills Central Vermont CLECO Dominion Resources DPL  Duke Energy Edison International El Paso Electric Empire District FirstEnergy Great Plains Energy IdaCorp National Grid Northeast Utility Services Nstar PEPCO Pinnacle West Portland General Electric Progress Energy NV Energy Southern Company UIL Holdings Unisource Energy Westar	Alliant Avista Centerpoint Energy CH Energy Group CMS Energy Consolidated Edison DTE Energy Energy East  Florida Public Utilities MGE Energy Northwestern Corp. PCG PNM Resources Puget Energy SCANA TECO Energy Vectren Wisconsin Energy Xcel Energy	Alcoa American Express AT&T Boeing Caterpillar Citigroup Coca Cola Dupont  Exxon Mobil GE General Motors Home Depot Honeywell IBM Intel Johnson and Johnson JP Morgan Kraft Foods McDonalds Merck Microsoft P&G Pfizer United Technology Verizon WalMart Walt Disney
Less Regulated Gas	Less Regulated Electric	Dow Utility Average	C Three Index
El Paso Corp. Energen Equitable Resources National Fuel Gas NJ Resources Southern Union Oneok Questar UGI	AES Corp. Allegheny Energy Calpine Constellation Energy Dynegy Entergy Exelon FPL Group Hawaian Electric Integrays ITC Holdings MDU Resources Mirant NRG OGE Energy Otter Tail Power PPL Corp. PS Enterprise Reliant Resources Sempra Energy	AEP AES CenterPoint Consolidated Edison Dominion Resources Edison International Exelon FirstEnergy FPL Group NiSource PG&E PS Enterprise Group Southern Company Williams Co.	Is an unweighted average of each component from each of these groupings plus, El Paso Energy, Kinder Morgan Energy Partners, Oneok Partners, Spectra Energy, TC Pipelines, TransAlta and Williams. We may re-introduce a natural gas pipeline index later this year.